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RUEHAN/AMEMBASSY ANTANANARIVO 0293
RUEHBZ/AMEMBASSY BRAZZAVILLE
RUEHLC/AMEMBASSY LIBREVILLE 0985
RUEHGI/AMEMBASSY BANGUI 0026
RUEHMA/AMEMBASSY MALABO
RUEHNJ/AMEMBASSY NDJAMENA 0774
RUEHGI/AMEMBASSY BANGUI 0027
RUEHYD/AMEMBASSY YAOUNDE 0322
RUEHNK/AMEMBASSY NOUAKCHOTT 5030
RUEHRO/TSA ROME IT
RULSDMK/DEPT OF TRANSPORTATION WASHDC
RHMFIUU/FAA NATIONAL HQ LONGMONT
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RUEPGBA/CDR USEUCOM INTEL VAIHINGEN GE//ECJ2/ECJ3/ECJ5//
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK//DOA/DOB/DOI//
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SUBJECT: SENEGAL WANTS AUDIT OF ASECNA ACCOUNTS

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¶1. (SBU) SUMMARY: Shortly after announcing its withdrawal from the Agency for Air Navigation Safety in Africa (ASECNA) with an eye towards directly collecting civil aviation revenues, Senegal reversed its decision in favor of the status quo. However, Senegal demanded that ASECNA's Board of Directors commit to an independent international audit of its accounts with all member countries to establish a more transparent, reliable and equitable distribution of ASECNA resources among its member states -- something that would require the cooperation of all member states. Senegal's sudden announcement that it was abandoning ASECNA, and then reversing that decision, is one of a number of recent poorly-considered policy initiatives. END SUMMARY.

SENEGAL THREATENED TO DEFECT

¶2. (U) In a November 2 press conference, Senegal's then-Minister of Civil Aviation, Farba Senghor, announced that Senegal would end its agreement with ASECNA for the management of the country's airports and airfields. On November 15, Senghor confirmed the Wade administration's intention to withdraw completely from ASECNA. He added "our decision to withdraw is irrevocable and we have already established a national committee to assess the modalities including the potential of moving the agency's technical and administrative headquarters [from Dakar] to another country."

¶3. (U) Senghor argued that Senegal is losing CFA 20 billion per year (USD 40 million) due to ASECNA's inadequate and inequitable investment (or lack thereof) for equipment, training and the upgrade of facilities with revenues the agency collects at Senegal's airports. Senghor claimed the GOS would monitor and manage the safety of its airspace, as well as run or contract out the management of its airports, as of May 2008 through a new agency called "Senegalese Aerial Safety Agency."

SENEGAL TO STAY; WANTS AUDIT OF ASECNA'S ACCOUNTS

14. (SBU) After the announcement to leave ASECNA, the government came under criticism for acting in haste and mostly with an eye for new sources of revenue to deal with budget and current account deficits, and without fully studying the civil aviation security, safety, and administrative requirements such a step would require. There was also speculation that the GOS' goal was to reclaim valuable buildings and real estate occupied by ASECNA. The GOS also faced an immediate diplomatic assault to reverse its decision. WAEMU President's special envoy, Amadou Chefou (and former ASECNA General Manager and former ICAO Residential Representative for West and Central Africa), Gabon's Ministers of Foreign Affairs and Civil Aviation, and a French Special envoy all met separately with President Wade to convince him to keep Senegal in ASECNA.

15. (U) President Wade indicated that Senegal's interests have been severely undercut by the iniquitous management of revenue derived from each ASECNA member country's civil aviation activities, but he stated, "I was deeply touched by the message of special envoys from friendly countries like France, Gabon, and WAEMU, whom together have offered their support to have Senegal remain in ASECNA and seek with our partners the internal solutions on the distribution of resources." On November 22, Senegal's Council of Ministers held a special session and reversed Senghor's previous declarations. Though agreeing to maintain the status quo, including having ASECNA manage Senegal's airports, the final "communique" by the Council of Ministers insisted that ASECNA's Board of Directors commit to an independent international audit of ASECNA's accounts, with a focus on:

- the establishment of transparent management that highlights each country's contribution to ASECNA resources, including revenue from airport and airspace management, and from the oceanic and land

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flight information region (FIR);

- an assessment of ASECNA's financial contributions to each member country in relation to revenues collected and respective investment in infrastructure and equipment;

- an assessment of expenditures committed from the GOS's budget to support the infrastructure and operation of the airports; and

- the valuation of the GOS's buildings occupied by ASECNA.

ASECNA CLAIMS ALL IS WELL

16. (U) During a meeting with the press on November 16, Youssouph Mahamat, ASECNA General Manager from Niger, acknowledged that other countries have considered leaving the organization, including Madagascar and Mauritania. Mahamat dismissed rumors that ASECNA was facing a financial crisis, and instead claimed that that ASECNA is a "victim of its success and financial stability."

ASECNA'S ROLE IN SENEGAL

17. (U) Unlike in most member states, all airports in Senegal are operated and managed by ASECNA, which does not return any revenue to the Senegalese treasury. At the same time, the GOS does not have any line-item for funding its airports' infrastructure. ASECNA's revenues are, in theory, to be reinvested to upgrade airport facilities and equipment within the member states. The bulk of ASECNA's revenues derive from navigation safety, over-flight, and passenger fees, and, in the case of Senegal, from landing, parking, and handling fees. The lack of revenue from ASECNA has long been a point of contention for the GOS, which feels, with reason, that it is not receiving the investment it deserves. A case in point is Leopold Senghor International Airport's inadequate perimeter wall and fence, which has long been cited by airline companies, ICAO, and DHS/TSA as a major security failure. Neither ASECNA nor the GOS has been willing to pay for improvements to the airport's perimeter.

COMMENT

18. (SBU) As a reflection on the Wade administration, the GOS's announcement that it will definitively withdraw from ASECNA, only to reverse that decision a few days latter is one of many recent examples of poorly thought-out and coordinated policy initiatives, all with the same result: a sudden, and at times embarrassing, backtracking by the government when serious opposition is voiced. Other recent examples, reported septel, include the cutting of civil servant salaries, the selling of government shares of important companies, and restrictions on street vendors in Dakar. In these actions, the Wade government has lost credibility in the eyes of the population, the donor community, and potential investors, and has opened itself up to greater public scrutiny to its policy decisions -- not necessarily a bad thing.

19. (U) Regarding ASECNA, Senegal's frustration with the organization is justifiable, and the GOS' call for comprehensive audits of ASECNA's financial management is reasonable, if unlikely without the buy-in of all member countries' civil aviation authorities. It is clear that for ASECNA to remain an effective regional body it needs to significantly improve transparency and equity on the distribution of revenues collected on behalf of member countries. These resources should be a significant source of funding for improved civil aviation infrastructure in Senegal and other member countries. Without improving its accountability, ASECNA will likely face additional attempts at defection, perhaps again from Senegal, if not in the near future then at least once Dakar's new international airport moves towards completion in 3-5 years.

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SMITH